

Construction Payment

Venice Grigsby

HQ Construction Audit Section



Agenda

- Partial Estimates – Venice Grigsby
 - Steps of a Partial Estimate (Creation – Payment)
- Construction Project Closeout – Chris Durbin
 - Process
 - Documentation



Partial Estimate Development

- *Purpose of this section:* To help the Local Public Agency Project Engineer (LPA P.E.) and the Responsible Charge understand the process to receive payments timely

What is a Partial Estimate?

- It is an estimate of pay quantities for the contractor's work for the pay period (1 month as per specification) based on quantities entered into Site Manager by the LPA P.E. or the LPA Inspector on the Daily Work Report (DWR) Screen

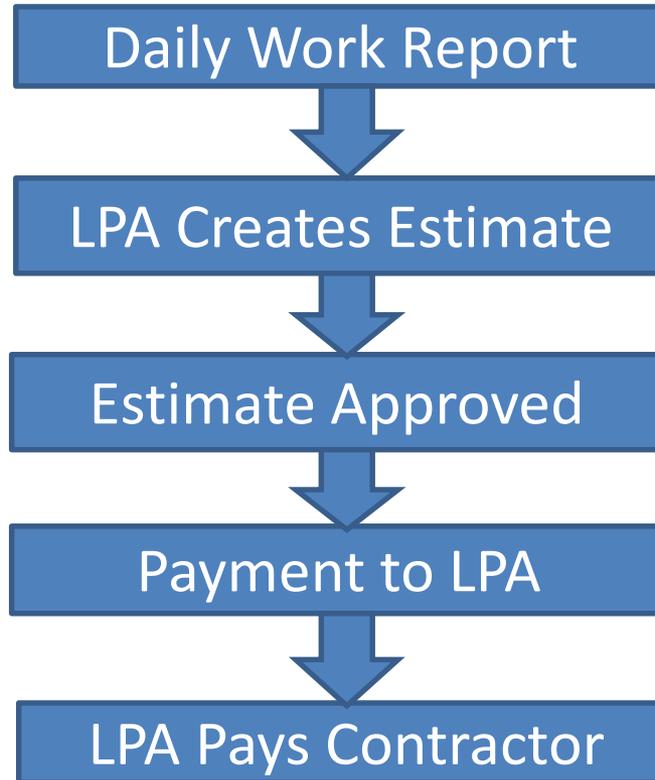
Step 1 - Determine if Cost “Reimbursement” or Cost “Disbursement” Applies

Read the Entity-State Agreement – It will state whether the method of payment is disbursement or reimbursement

What is the Cost “Disbursement” Process?

- It is a monthly cost reimbursement process that DOTD may use that disburses to the Entity the correct federal ratio of the approved project costs (i.e. pre-construction engineering services, right-of-way acquisitions, utility adjustments and/or the costs of construction)
- Upon receipt of each disbursement requested, the Entity is required to tender payment for the invoiced cost to the vendor

Review of Partial Estimate Process



Every 30 Days



Step 2 – Daily Work Report (DWR)

- Quantities are entered into the Field Book or Spreadsheet daily
- Quantities are entered into Site Manager by the LPA P.E. or the LPA Inspector on the Daily Work Report (DWR) Screen

Step 3 – LPA Creates Estimate

- Site Manager Office Manager- Generates the partial estimate every 30 days & approves
- LPA Project Engineer approves
- LPA Responsible Charge (designated as contractor in Site Manager) approves



Partial Estimate Example

Quantities and Payment

Line Number	Item Number	Unit	Contract Quantity	Estimate Quantity	Unit Price	\$ Pay
0901	701-15-00100 Concrete Collar – Concrete Pipe Collar	EACH (ENGLISH)	8.000	8.000	\$244.32000	\$1,954.56
901	727-01-00100 Mobilization – Re- Mobilization	LUMP SUM - QUANTITY MUST ALWAYS BE 1	1.000	1.000	\$500.00000	\$500.00

Federal Funds:	\$1,963.65
Local Funds:	\$490.91
Project Total:	\$2,454.56
Project Total to Date:	\$133,376.28
Grand Total This Estimate:	\$2,454.56
Grand Total To Date:	\$133,376.28



Partial Estimate Example

Contract Time

Summary of Contract Time	
Contract Time Allowed:	75
Time Charged This Estimate:	15
Time Charged to Date:	30
Elapsed Calendar Days:	60
Percent Time Used:	60%
Percent Project Complete:	65%



Partial Estimate Example Approval

I hereby certify that the contract time as summarized herein and quantities herein shown are correct to the best of my knowledge and belief and that the work has been performed and the materials used in accordance with the plans and specifications for this project.

Local Public Agency Project Engineer



Partial Estimate Example Approval

I acknowledge that the pay quantities and Summary of Contract Time for this Estimate have been reviewed. If I disagree with pay quantities on this estimate I will immediately notify the Project Engineer in writing. If I disagree with time charges then I must notify the Project Engineer via mail/fax within 14 days and further follow the procedure as detailed in the 2008 Standard Specs section 108.07(4); however, I am not rejecting this estimate, as that action may result in a delay of payment.

ANY TOWN RESPONSIBLE CHARGE

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Prepare Cost Reimbursement Documentation

- Attach information for the cost reimbursement method which is specified in the Agreement – “Disbursement” or “Reimbursement” (Step 1)

See Handouts: Cost Disbursements, Cost Reimbursements

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Cost “Disbursement” Required Documentation

- Copy of the Cost Disbursement Form
 - Entity completes and sends a Cost Disbursement Form (see handout) to DOTD every time they submit a partial estimate
 - Cost Disbursement Form to be mailed, emailed or FAXed to DOTD Construction Estimates Section
 - Copy of **cancelled** check to the contractor must be sent within 60 days of DOTD transferring money to LPA – Must have front & back (Cannot show just front)



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Cost Disbursement Form

<http://webmail.dotd.louisiana.gov/ContWeb.nsf/38dfde74ffe57a4086256fe00046e825/d348c01c8eac1c6886257854005fc0b2?OpenDocument>



BOBBY JINDAL
GOVERNOR

STATE OF LOUISIANA
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SHERRI H. LEBAS, P.E.
SECRETARY

COST DISBURSEMENT CERTIFICATION

Date:	Entity:	Estimate No:
Project No:	Contract:	Amount:
Project Name:		Phone No:

BY EXECUTION OF THIS DOCUMENT, I CERTIFY, ON BEHALF OF ENTITY THAT THE WORK, AS EVIDENCED BY THE ATTACHED INVOICES, HAS BEEN PERFORMED IN ACCORDANCE WITH THE TERMS OF THE DOTD/ENTITY AGREEMENT AND THAT THE SERVICES HAVE BEEN PERFORMED AND/OR THE GOODS RECEIVED. ENTITY AGREES THAT WITHIN SIXTY (60) DAYS FROM RECEIPT OF DISBURSEMENT BY DOTD, ENTITY WILL PROVIDE PROOF OF PAYMENT FOR THE INVOICED SERVICES AND/OR GOODS.

CERTIFIED BY: _____
Signature: _____ Date: _____
Title: _____

AN EQUAL OPPORTUNITY EMPLOYER
A DRUG-FREE WORKPLACE



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TRANSPORTATION & DEVELOPMENT

Cost “Disbursement” Form Example

Date: November 26, 2012	Entity: Any Town, LA	Estimate No: 4
Project No: H.001234	Contract: Nothing is required here	Amount: \$2,454.56 (Total amount of partial estimate)
Project Name: Streetscaping for Any Town		Phone No: 225-987-5432



Cost “Reimbursement” Required Documentation

- Copy of cancelled check – Must have front & back (Cannot show just front) instead of Cost Disbursement Form
- Cancelled check to contractor by LPA to be mailed, emailed or FAXed to DOTD Construction Audit Section



Step 4

DOTD Partial Estimate Approval

- DOTD Compliance Section verifies payrolls for compliance with federal wage rates and approves on all projects
- DOTD Construction Audit Section audits estimate and processes for payment



DOTD Partial Estimate Approval

- All projects with federal funds are required to submit certified payroll document on both prime and sub contractors
- DOTD Compliance Section reviews the payroll documents
 - Must be submitted to the Compliance Programs Office 2 weeks prior to a partial estimate submittal
 - Failure to do so will result in the partial estimates being held



DOTD Partial Estimate Approval

- DOTD Compliance Section approves payroll documentation for the partial estimate in Site Manager
- DOTD Construction Audit Section is notified in Site Manager of pending partial estimates
- DOTD Construction Audit Section begins their Section review



DOTD Partial Estimate Approval

- DOTD Construction Audit Section review
 - Confirm receipt of cancelled check in 60 days if “disbursement” from previous partial estimate payment
 - Ensure cancelled check (reimbursement) or disbursement form submitted for this estimate
 - If any item is over or under 5% notify LPA PE to submit a change order for next partial estimate
 - Ensure sufficient total project budget to cover the payment or estimate rejected



DOTD Partial Estimate Approval

- DOTD Construction Audit Section review cont...
 - Ensure advancement of stockpile has proper documentation:
 - Request for advance payment
 - Copies of invoices of material
 - Right-of-entry if stored off of jobsite
 - Certified inspection certification
 - Certified paid invoices signed by the supplier of the material



DOTD Partial Estimate Approval

- DOTD Construction Audit Section review cont...
 - Determine if the partial estimate is either 5-days from completion or the allowed contract time
 - Send notification to entity that stipulated damages will be assessed if they run out of time which will place them in default of the contract
- DOTD Construction Audit Section processes payment once all required documents are approved



Step 5 – Payment of Contractor

- Entity pays contractor
 - No matter what type of Cost Reimbursement Method is used, the Entity is responsible to pay the contractor within the timeframe specified in the contract
 - The Entity must maintain the project records for 5 years

Change Orders

- If change orders are submitted, adequate funds must be available to allow the DOTD Construction Audit Section to process the partial estimate
- To ensure there is adequate money, Site Manager has reports that can be used

See Handouts: Change Order Summary Reports & Partial Estimate Quantities

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Partial Estimate Verification Report

- Ensure enough Change Orders are approved to cover the amount of partial estimate payment required (Sufficient funds must be available in the total project budget)
- Site Manager Report



Partial Estimate Verification Report Example

Project Breakdown

Project	Approved Amount	Paid Amount
H.001234	\$133,322.98	\$133,376.26

Category Breakdown

Project	Category	Approved Amount	Paid Amount
H.001234	0001	\$133,322.98	\$133,376.26



Summary of Change Orders Report

- ***Purpose: To compare current approved amount (original contract + approved change orders) to the partial estimate total paid to date to determine if there are sufficient change orders to cover the increased cost***

Summary of Change Orders Report Example

All Change Orders on Project

CO Number	Description	Status	Amount
001	Adding Concrete Pipe Collar to Contract	APPR	1,954.56
002	Overrun and Underrun Items	APPR	519.80
003	Sidewalk Realignment and Additional Driveways	APPR	-1,777.58
004	Adjusting quantity for item 706-01-00300	DRAF	0.00

TOTAL

\$696.78



Summary of Change Orders Report Example

Total Contract Amount:

Total Approved Change Order Amount:

Total Approved Amount:

132,626.20
696.78
133,322.98

This example shows LPA PE would have to initiate a change order

Entity would have to either seek and obtain approval from DOTD Program Manager for additional Federal Funds to be added to the project budget or assume 100% responsibility for difference



Contact Information

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Project Closeout

Chris Durbin
HQ Construction Audit
Section

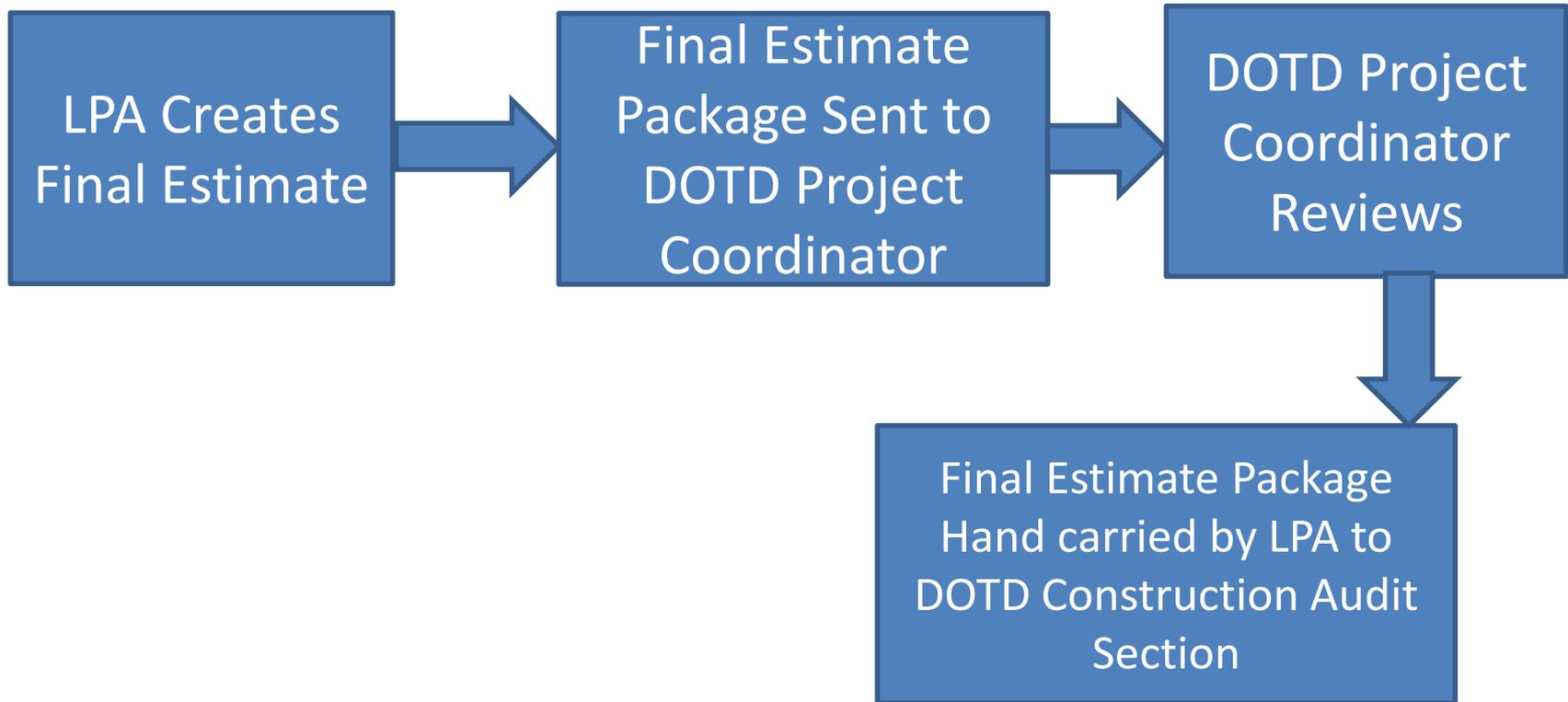




Final Estimate Package Development

- *Purpose of this section:* To help the Local Public Agency Project Engineer (LPA P.E.) and the Responsible Charge understand the process to closeout a project

Final Estimate Process



Generating the Final Estimate

- A Final Change Order must be generated/approved
 - This Change Order will adjust any quantities that overran approved plan quantities by any amount and any underruns greater than 5%



Generating the Final Estimate

- A DWR must be completed where each item will be “Final Referenced”
 - Each item is pulled up (for example: if adding a quantity for payment)
 - No quantity is entered, but in the “location” field, the final reference location is entered
 - This is the location in the field book where the final item quantity total is documented, located at the end of the list of entries for each item (Initials FR only in front of entry)



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Generating the Final Estimate

Daily Work Reports

DWR Info. Contractors Contractor Equip. Daily Staff **Work Items** Force Accounts

Contract ID: H.006769.6 Inspector: Jaireau, Bret W Date: 02/27/13

Project Nbr: H.006769.6 Line Itm Nbr: 0001 Prpsl Line Nbr: 0001 Item Code: 202-02-40100 Category Nbr: 0001

Item Desc: Removal of Traffic Signal Equipment Unit Price: \$11,500.00000

Supp Desc 1:
Supp Desc 2:

Qty Reported to Date: 1.000 Qty Authorized to Date: 1.000 Units Type: LS
Qty Installed to Date: 1.000 Bid Qty: 1.000 Pay To Plan Qty:
Status: Active Qty Paid to Date: 1.000 Current Contract Qty: 1.000

Loc Seq Nbr	Location Installed	Placed Qty.	Plan Page Number	Templt Used
1	FR 197-946 p7	0000		<input type="checkbox"/>

Placed Qty: .000 Plan Page Nbr: 0 Contractor: JACK B. HARPER ELECTRICAL LLC ** PRIME **
As Built Qty: .000 Loc Seq Nbr: 1 **Location: FR 197-946 p7** Measured Indicator: Y N

Station Offset Distance Station Offset Distance
From: + .000 .000 To: + .000 .000

Material Inspection Detail

Material Component	Cont Est Matr Qty	Satisf Repr Matr Qty	Reprt Matr Qty	Matr Unit
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Generating the Final Estimate

- The Final Estimate is generated essentially the same as a Partial Estimate
 - The difference:
 - The “Final Estimate” button is clicked prior to clicking “generate estimate”
 - Everything else is the same

Generating the Final Estimate

- Two reports are printed by the DOTD Coordinator and provided to the LPA P.E.
 - *“Summary of Final Quantities”*
 - *“Recapitulation of Weather and Workdays used to Complete Project”*

See Handouts: #1-3 Summary of Final Quantities & #4-5 Recapitulation of Weather and Workdays

Generating the Final Estimate

- If Stipulated Damages are being assessed
 - The LPA PE, DOTD District Coordinator and the DOTD District Area Engineer must sign the *“Recapitulation of Weather and Workdays used to Complete Project”* form
- If there are no Stipulated Damages
 - The LPA P.E. and DOTD District Coordinator will sign the *“Recapitulation of Weather and Workdays used to Complete Project”* form

Project Closeout

- Final Inspection starts the Final Acceptance process
 - Time period to submit final records (30 days max.)
 - Penalty
 - Consultants will not receive good ratings

Procedure

- Required Forms - Construction Contract Administration Manual – page 44, Section 7.5
- Must be **HAND CARRIED** to Room 510-G
- Responsible Charge must hand carry
 - Submittal is cursory reviewed by DOTD while Responsible Charge is present
 - Missing signatures are addressed
 - Missing documents identified

See Handout: Final Estimate Checklist



Critical Documents

See checklist handout for required documents

- Signed Original Schedule of Work Items – Form 651
- Signed original recapitulation of weather and workdays

Documents

- Signed and corrected As-Built Plans
 - All sheets must be signed
- All correspondence in and out
- Construction Layout
 - If not included must follow Construction Memo dated May 5, 2009
- Certificates of Release

Documents

- Asphalt plant reports
- Reinforcing steel bar list (mill test reports)
 - Example: catch basins, bridges, headwalls, etc
 - Can be included on Form 2059
- Master structures file – All bridges
 - For the bridge maintenance inventory
- Form 2059

Documents

- Right-of-way monuments – If r/w acquired
 - Must have receipt of recordation in courthouse
- All signed and original change orders
 - Category 1 is approved at DOTD HQ
 - Category 2 & 3 are approved in DOTD district
 - Tracking number created in Site Manager **MUST** be the same as the signed change order

*See Handout:
EDSM No. III.4.1.2*

Documents

- Field Records
 - Electronic spreadsheets
 - Numbered field books
- Asphalt and fuel adjustment
 - Calculation formula found in special provision
- Police invoices

Documents

- Traffic control log
- Transmittal sheet
 - List of everything submitted
- **NOTE**: Final Acceptance letter must be submitted prior to final estimate submittal

Rejection Reasons

- Traffic Control Diaries omitted or not done consecutively as per spec book
 - Penalty assessed if not done properly
- Final References added correctly
- Every sheet of As-built plans signed (even standard plans)

Rejection Reasons (Cont.)

- Missing category 2 & 3
 - **NOTE**: Category 1 change orders must be submitted prior to the final submittal
- Tracking numbers of the signed change orders are different from the Site Manager approved change orders
- Original documentation to be submitted
 - Copies are unacceptable

Rejection Reasons (Cont.)

- DOTD policy – A final is the summation of all that has been paid to date
 - No items are paid on the final estimate
 - The final estimate must show the total earned to date
 - Any retainage held will be released after the records are submitted and the audit is complete



Contact Information

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ALL PROJECTS MUST BE HAND CARRIED

Address: 1201 Capital Access Road, Baton Rouge, LA. Room 510-G

QUESTIONS

